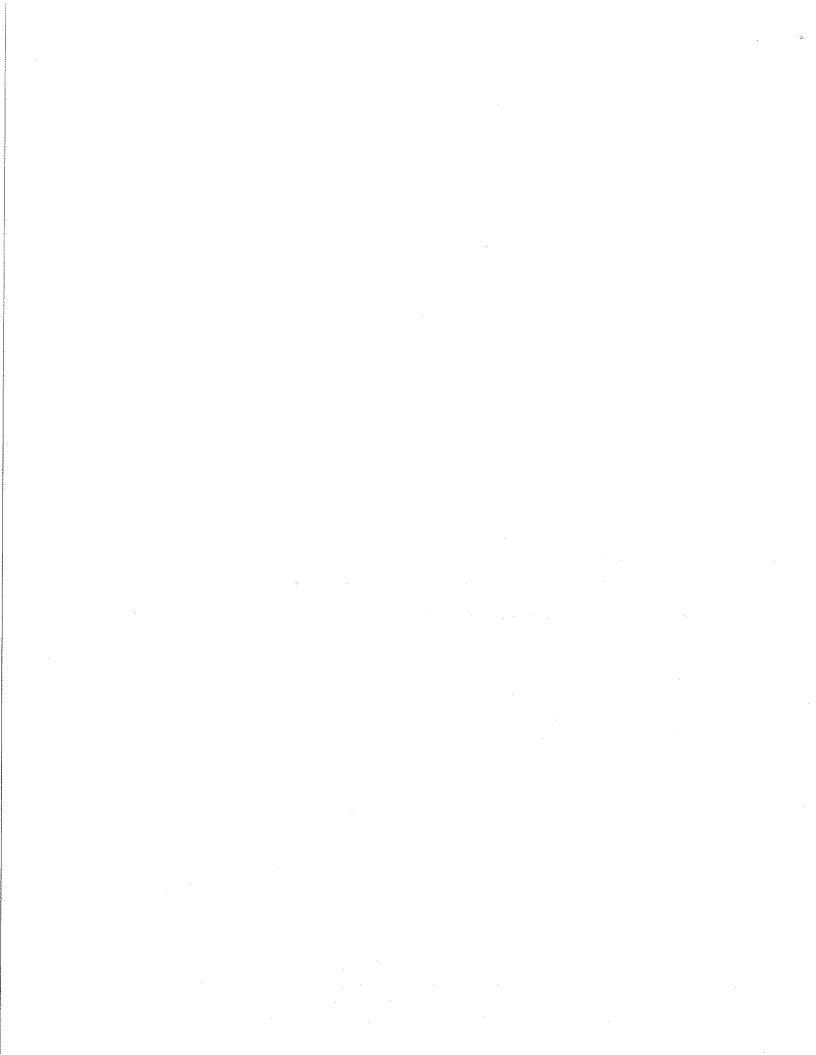


## Michigan Health Care Exchange Core Principles

- 1) The Michigan Exchange should be a Market Organizer, operating as a clearinghouse for individuals and small businesses who would like to consider exchange health care products.
- 2) The Michigan Exchange should have separate risk pools for individuals and small businesses to manage the unique risk and demographic characteristics of each population.
- 3) Independent licensed insurance agents should be authorized to sell and service both the individual and small groups. Agents should be compensated for selling and servicing exchange products.
- 4) The state exchange should not become the exclusive health insurance distribution channel for individuals and small businesses. Existing health insurance market distribution channels must continue to operate regardless of the exchange.
- 5) State exchanges must be self-sufficient (or sustaining) by 2015.

  The Michigan Exchange must ensure that the cost to be selfsufficient does not impact the affordability of exchange products.





## Recommendations for Michigan's Healthcare Exchange

Exchange Attribute	Recommendation	<u>Logic</u>
		This allows OFIR/DCH
		complete control for initial
		launch. State may decide
	Private-established by the	to subcontract certain
Public/Non-profit	State	exchange services.
		Based on Utah Model-Keep
		it simple and easy to
		understand.
		Massachusetts struggled
	Voluntary	with mandated coverage
·		and high administrative
Voluntary/Non		costs.
	Executive Director/Board,	Massachusetts model,
	business community,	Michigan is not set up
	health care community	properly for provider
	and state government.	collaboration only model.
		Board composition should
		include: consumers,
		employers, healthcare
6		industry (providers,
Governance		insurers, OFIR, DCH).  To keep exchange running
Food	Transparent to consumer	effectively
Fees	Transparent to consumer	enectively
		Two Michigan based
		Exchanges(nothing out of
		state)
Number of Exchanges	Two	,
		To ensure appropriate
	Individual/Group	rating of risk to represent
		the individual/group
		products within the
Types of Exchanges		Exchanges.
		Given our feedback from
	1237997776s.	members and their
		reliance on their agent,
		level of expertise, and
		questions, we recommend
Use of Agents/Brokers	Recommended	the agent be authorized.

Public Communication	Via web portal and customer service. It is important to provide aide for those who are not computer savvy. Also important to provide a resource for those that have questions via navigators and non-profit organization educators.	The Exchange should serve as the supplier of health insured products for individuals and small groups via web portal or call center. Navigators would provide individual and small groups with guidance and education such as public education and enrollment education. Navigators could include professional and trade associations, small business development centers, and others.
Personal Medical	Through State	All healthcare questions, procedures, administrative duties, and fees are completed directly through and sent to the State of Michigan via DCH.
Information  Grant Committee	Yes	Grant Funds to be allocated for certain expenses needed to run the exchange such as technology needs, education grants, marketing materials, staffing, etc. Also revenue dedicated to Navigator role for marketing and education to individual and small groups.
Member/Public Education/Training	Yes	Educational material, training, workshops, and resources will be needed for both individuals and businesses through community groups and professional and trade organizations. This could also be the function of a navigator via educational grants.